

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On March 13, 2013 State Office Building, Hartford, Connecticut

The State Properties Review Board held a special meeting on March 13, 2013 at the Connecticut Regional Market, 101 Reserve Road, Hartford.

Members Present: Edwin S. Greenberg, Chairman
Bennett Millstein, Vice Chairman
Bruce Josephy, Secretary
Mark A. Norman
Pasquale A. Pepe
John P. Valengavich

Staff Present: Brian Dillon, Director
Mary Goodhouse, Real Estate Examiner

Chairman Greenberg called the meeting to order.

Mr. Josephy moved and Mr. Norman seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

Joseph Dippel and Rick Macsuga of the Department of Agriculture, Bureau of Marketing joined the meeting to discuss the agenda items, which are four standard lease agreements between the Connecticut Marketing Authority and wholesale tenants at the Connecticut Regional Market:

REAL ESTATE- UNFINISHED BUSINESS

PRB # 13-025 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: Capitol Sausage and Provisions, Inc.
Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-13 through A-17 comprising approximately 10,800 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and other agricultural commodities.

PRB # 13-026 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: Heart of the Harvest, Inc.
Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-8 through A-12 comprising approximately 10,800 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and other agricultural commodities

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, March 13, 2013

Page 2

PRB # 13-027 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: FoodShare, Inc.
Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-29 through A-31 comprising approximately 8,640 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and other agricultural commodities

REAL ESTATE- NEW BUSINESS

PRB # 13-042 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: Freshpoint Connecticut LLC
Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-33 through A-37 comprising approximately 10,800 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and other agricultural commodities

Mr. Dippel explained that the Regional Market ("Market") is a State owned and operated non-profit facility created by the State Legislature to promote State agricultural products for the economic benefit of agricultural producers and public through the development of existing farmers' market facilities, including land and buildings by purchase and/or construction. The Market runs under the aegis of the CMA, the Connecticut Market Authority.

CGS 22-64 authorizes the CMA to lease land or markets under its control, subject to the approval of the State Properties Review Board. Property may be leased to (1) an agricultural cooperative, (2) to wholesalers of farm produce or supplies and (3) to dealers in other commodities, if the CMA determines the sale of such commodities is of general benefit to the Market and (4) to persons rendering services essential to the Market.

Currently the CMA is executing 3 year leases, with one 3 year renewal option for 76 wholesale stalls in Buildings A, B & C. All existing stall leases have expired, and existing tenants have continued on a month to month basis.

The Board toured the Market and then viewed stalls occupied by the following companies: M & M Wine Grape (Building B), Heart of the Harvest, Capitol Sausage & Provisions, Inc. and Foodshare (Building A).

The CMA has established a rental rate of \$4.27/SF for stalls in Buildings A & C; and \$4.07/SF for Building B due to a loss of functional utility caused by a ground lease at the rear of Building B. The CMA submittal measures a typical stall as 24' x 90' = 2,160 SF. The rate is scheduled to increase by 3% for renewal term 2016 thru 2018.

STATE PROPERTIES REIVEW BOARD

Minutes of Meeting, March 13, 2013

Page 3

The CMA requests the approval of the following leases:

| | | | | |
|------------------|------------------------------------|----------------------------|----------------------|----------------------------|
| Tenant | Capitol Sausage & Provisions, Inc. | Heart of the Harvest, Inc. | Foodshare, Inc. | Freshpoint Connecticut LLC |
| PRB # | 13-025 | 13-026 | 13-027 | 13-042 |
| Demised Premises | A-13 thru A-17 | A-8 thru A-12 | A-29 thru A-31 | A-33 thru A-37 |
| SF rented @ Rate | 10,800 SF @ \$4.27/SF | 10,800 SF @ \$4.27/SF | 8,640 SF @ \$2.13/SF | 10,800 SF @ \$4.27/SF |
| Annual Rent | \$46,098.60 | \$46,098.60 | \$18,439.44 | \$46,098.60 |

As indicated above, the rental rate for Building A is \$4.27/SF. Foodshare, Inc. receives a 50% subsidy to support its non-profit work.

Mr. Pepe left the meeting at 10:30 a.m.

OTHER BUSINESS

The Board took the following vote in Open Session:

PRB FILES #13-025, #13-026, #13-027 & #13-042 - Mr. Joseph moved and Mr. Norman seconded a motion to approve PRB Files #13-025, #13-026, #13-027 & #13-042. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____
Bruce Josephy, Secretary